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DATE OF INFO. February 1947-February 1949

**SUPPLEMENT  
REPORT NO.**

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Some of the following information on the Dominican small arms factory in San Cristobal has been previously reported but is included here in order to give as complete an account as possible of the developments to date.

1. The Dominican Government currently is operating an arms manufacturing and arms repair factory in the city of San Cristobel which is located eighteen miles southwest of Ciudad Trujillo. The plant occupies the premises of the former Charm Slide Fastener Company, an enterprise of the Hispaniola Corporation which was formed in the Dominican Republic in February 1947. The General Director of the plant is Alexander Kovacs who is also known as Sendor Kupferstein. Kovacs spends only a portion of his time at the plant and reportedly maintains a separate office within the Presidential Palace in Ciudad Trujillo.
2. The actual administration of the plant has been entrusted to two Hungarians who share an office within the plant. These two individuals, both former generals of the Hungarian Army, are named Matolszy or Matolsci (phonetic) and Sterling or Sczerling (phonetic).
3. The source of the above information stated that the plant is engaged mainly in repairing machine guns, rifles and small arms for the Dominican Army. He stated the plant is also manufacturing small arms but in a very limited quantity. He was unable to state definitely just what type of arms is being made or the quantity thereof; however, it is believed this information will be available in the near future. The source advised that only a small portion of the total amount of machinery in the plant has been set up and is in operation at the present time. Current plans call for the immediate installation of the rest of the machinery. When all of the various pieces have been set up and are ready for operation, the actual work of manufacturing arms on a large scale will be started.
4. With reference to the machinery ready for installation, source has advised that part of it came from Switzerland, part from Italy and the rest from Belgium. According to him, all of the machinery is new and in excellent condition with the exception of a few pieces which will require complete overhauling before they can be put to any use.
5. Concerning the plant personnel, source stated it was his impression that all of the men currently employed at the plant are either displaced persons

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from Hungary or other Europeans, all recruited personally by Kovacs in Europe for their present employment at the arms factory. Source stated approximately fifty-seven men are employed at the factory at the present time. Of that number, thirty-five are Hungarians, sixteen are Italians, three are Yugoslavs, two are Germans and one is a Spaniard.

6. Source advised that the more important and detailed technical work at the plant is performed by the Hungarians, the Italians and Yugoslavs filling in as mechanics and electricians' helpers. According to source, one of the Hungarians was employed in a Messerschmitt plane factory in Germany during the war.
7. With reference to the sixteen Italians employed at the plant, source advised that these men reported for work during the last week of January 1949. He was of the opinion that they had just arrived from Italy.\*
8. Monthly salaries of the plant personnel range from \$175 to \$225 (U.S.) depending upon the type of work performed and the amount of skill required. From the time the men first reported for work at the plant up to and including the month of December 1948, their salaries were paid by the Hispaniola Corporation. Their monthly salaries for January 1949 were paid with checks made payable to them by the Dominican Army. Future salaries, according to the source, will be paid by the Dominican Army. Several of the technicians who have been entrusted with the task of purchasing material for the plant have been instructed to advise the various wholesale dealers from whom the material is obtained that all bills should be addressed to the Dominican Army but presented at the plant for payment.
9. It has been ascertained that approximately fifteen of the workers employed at the plant reside in Ciudad Trujillo. These men are picked up each morning by a Dominican Government truck and driven to the plant in San Cristobal. Each evening they are brought back to Ciudad Trujillo by the same truck. The men work 5½ days per week, Saturday afternoons and Sundays being holidays. The arms factory is heavily guarded and no unauthorized persons can enter. Kovacs has made it known among the plant workers that he expects each of them to keep confidential all matters concerning the plant.
10. Concerning Alexander Kovacs, it is known that he was born in Budapest, Hungary, on 2 November 1888. He arrived in the Dominican Republic in February 1947, and on 5 March 1948, was granted Dominican citizenship for "meritorious services rendered to the Dominican Republic," by Presidential Decree No. 4989. Kovacs converses with the men at the plant in his native Hungarian language. He has been described by one source as a "wild man" while in the plant. It seems he is extremely excitable and frequently curses his men for what he considers inefficiency on their part. Later, Kovacs will mingle with the men and jokingly makes sport of his own temper.
11. In order to retain the good will of his men and to bolster morale at the plant, Kovacs, according to the source, has promised the workers an outright gift of \$2000 (U.S.) with which to build an athletic club on the plant's premises. He has repeatedly made the statement to the workers that to any of them who marries a Dominican woman he will personally give a wedding present of \$500 (U.S.) Within the past three weeks, Kovacs has given three of his technicians gifts of \$500, \$550 and \$600 with which to purchase used automobiles.\*\*

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[REDACTED] Comment. It is possible that these Italians are part of a group of twenty-six Italians brought to the Dominican Republic in December 1948 and January 1949 through the efforts of Frank Parra, former Secretary of State for National Economy. These men were brought to work on a mineralogy project for the Dominican Government but upon their arrival they discovered that no provision had been made either for their work or their living quarters. Parra has since been removed from his position, and it is believed that some of the Italians may have sought employment in the arms factory.

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\* [REDACTED] Comment. Even though Kovacs gives the workers the impression that his generosity is a personal matter between him and the workers, the possibility should not be discarded that the money is being furnished by the Dominican Government and that Kovacs, in the role of a warm-hearted philanthropist, is merely marching to the music of his superiors.

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